

**MINUTES**  
**Drug Formulary Committee**  
**10/4/2016**

The initial meeting of the Drug Formulary Committee was held on October 4, 2016, in Conference Room B of the ERD Building at 3:00 pm.

Committee members present were: Char Lewis-Richards, Mark Cadwallader, Lance Zanto, Michele Fairclough, Eric Strauss, Bill Wheeler, Karen Wiles, Jennifer Hepfner, Maralyn Lytle, and Lindi Mandy. Dr. John Schumpert, LeeAnn Bradley, Leslae Dalpiaz, Mike Marsh, and Kristine Ediger joined the conference remotely via GoToMeeting.

Bill Wheeler welcomed everyone to the meeting, and all committee members introduced themselves.

A discussion began regarding the reason for establishing a Drug Formulary Committee. Bill Wheeler began by discussing that during the 2015 Legislative Session, a drug formulary was not approved, yet the Labor Management Advisory Committee (LMAC), continues to research other drug formularies in other states and have implemented an 18-month time frame to establish a formulary for Montana. Mark Cadwallader is currently working on the legal wording for a drug formulary to present to the legislature.

A discussion regarding the objectives of a formulary began with ideas from the committee members. Eric Strauss began with the idea of an evidence based formulary. Char Lewis-Richards followed with a diagnosis based idea. Bill Wheeler stated that Washington state implemented a formulary in 2004-2005. He explained that WA had created their own formulary internally, and drug formularies can also be purchased from companies such as ODG and ACOEM. Michele Fairclough discussed data from Montana State Fund regarding percentages of drug spending. According to the data, ~~32~~39% of drug spending for MSF is on narcotics, where only 4% is spent on narcotics in WA state. The discussion continued on if that data can be broken down into more detail, such as which particular drugs are included. LeeAnn Bradley questioned the purpose of establishing a drug formulary and if the formulary would classify drugs by large groups or individually. Discussion continued over the need for a Pharmacy Benefits Manager(PBM) in which an RFP is needed. It was explained that the State did not foresee the need for a PBM at this time as we are not a single payor. Each insurer will use their own PBM to process the pharmacy claims.

Questions began with whether DLI would oversee the formulary, and what is the main goal of the formulary. Bill Wheeler discussed the idea to keep the administrative costs low in maintaining a formulary and that the overall objective is to improve the care of the injured

worker, with a potential cost savings to stakeholders. Dr. Schumpert began the discussion regarding potential outcomes of patients based on opioid use and the assumption that less opioid use is valid, yet opioids do have their place in treatment. John included the thought of developing a Schedule II guideline and formulary vs a comprehensive formulary guideline. LeeAnn Bradley asked what other types of interventions are in place in other states that keep the drug spending low.

Bill Wheeler explained that we could have several States come in to discuss how they developed a formulary. Mike Marsh asked if ODG and ACOEM could be included as well.

Eric Strauss stated it is potentially important to find measurable to help determine a formulary and to establish its effectiveness. Mike Marsh stated the importance in considering self-insurers for their data as well, and agreed to compile data to present at a later date. Lance Zanto gave a history of LMAC and their position on finding improvements in the Work Comp system, with the drug formulary being one of the improvement ideas. Michele Fairclough agreed to compile data regarding the percentage of drug spending in relation to the amount of time between a date of injury and maximum medical improvement, to help determine who the 329% drug spend refers to in the WC system.

#### Committee Member Assignments:

Michelle Fairclough will determine what data elements are needed for them to provide data on prescription usage. She will forward those data elements to Bill Wheeler.

Bill Wheeler will send out several articles such as the IAIABC white paper, ACOEM's paper, comparison of states and their guidelines. Forward MSF's data elements to Mike Marsh and to Plan 1 employers group.

Mike Marsh

Provide data based on the same data elements used by MSF

The next meeting date will be determined and scheduled for November.

If members need any additional information or help in regards to the committee, contact Lindi Mandy, LMandy@mt.gov, 406-444-0810 or Maralyn Lytle, 406-444-6604, [mlytle@mt.gov](mailto:mlytle@mt.gov)